

EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE – 11 JANUARY 2006

BUDGETARY CONTROL SUMMARY STATEMENT DEVELOPMENT SERVICES TO 13 NOVEMBER 2005 (PERIOD 8)

Joint Report by Executive Head of Finance and Executive Director of Development and Property Services

1. PURPOSE OF REPORT

- 1.1 To advise Members of the current budgetary control position and the projected out-turn for the year for Development and Property Services for the period ended 13 November 2005 (Period 8).

2. OVERALL POSITION

- 2.1 The following report relates to service costs and income directly controlled by the department, and excludes rechargeable costs for central services charges and debt charges.

2.2 Projected Out-turn

Based on available information, it is currently projected that the Department of Development and Property Services will out-turn at £17,696,910, which is £632,000 less than the annual estimate for the year.

The net underspend position primarily relates to additional income secured by the department as a result of increased activity with regard to Planning & Building Control applications, and fee recoveries from rechargeable work undertaken by Technical Services.

This underspend position is further augmented by anticipated savings on employee costs as a result of vacant posts and staff turnover, and savings on third party payments. However, this favourable position is offset by anticipated overspends on premises costs, and supplies and services.

2.3 Budget Performance to Period 8

Actual expenditure to date amounts to £10,475,858, which represents 57.2% of the estimated expenditure for the year. Year-to-date variances have been noted, and are mainly attributable to timing of expenditure and receipt of income in advance of expectation. It is anticipated that these variances should level out during the year, however, where this is not the case this has been highlighted in section 3 of this report.

2.4 Summary of Objective Costs

Actual Exp. To 18/09/05	Actual Exp. To P6 as % of Annual Estimate	Service Division	Annual Estimate 2005/06	Projected Actual to 31/3/06	Variance (Favourable) / Adverse
1,402,471	49.7%	ECONOMIC DEVELOPMENT	2,822,087	2,766,587	(55,500)
404,904	51.5%	PLANNING & BUILDING CONTROL	786,240	694,240	(92,000)
(740,297)	132.2%	COMMERCIAL AND INDUSTRIAL PROPERTY	(559,940)	(537,940)	22,000
6,816,430	59.5%	ROADS & TRANSPORTATION	11,448,083	11,448,083	0
(371,178)	75.0%	TECHNICAL SERVICES	(495,070)	(875,070)	(380,000)
232,117	61.4%	PROPERTY ACCOUNT	378,100	378,100	0
1,621,883	60.7%	CENTRAL REPAIRS	2,672,560	2,672,560	0
1,160,528	59.5%	CORPORATE OFFICE ACCOMMODATION	1,949,920	1,823,420	(126,500)
(51,000)	7.6%	INCOME RECOVERED FROM OUTWITH GENERAL FUND	(673,070)	(673,070)	0
10,475,858	57.2%	TOTAL	18,328,910	17,696,910	(632,000)

2.5 Summary of Subjective Costs

Actual Exp. To 18/09/05	Actual Exp. To P6 as % of Annual Estimate	Detail	Annual Estimate 2005/06	Projected Actual to 31/3/06	Variance (Favourable) / Adverse
4,664,854	59.6%	EMPLOYEE COSTS	7,833,094	7,733,094	(100,000)
2,907,474	60.4%	PREMISES COSTS	4,814,822	4,834,822	20,000
260,050	58.7%	TRANSPORT COSTS	443,130	442,841	(289)
1,093,522	41.9%	SUPPLIES & SERVICES	2,609,782	2,647,530	37,748
5,833,414	59.2%	THIRD PARTY PAYMENTS	9,861,441	9,813,941	(47,500)
14,759,314	57.7%	TOTAL EXPENDITURE	25,562,269	25,472,228	(90,041)
(4,232,456)	64.5%	INCOME	(6,560,289)	(7,102,248)	(541,959)
10,526,858	55.4%	TOTAL	19,001,980	18,369,980	(632,000)
(51,000)	7.6%	INCOME RECOVERED FROM OUTWITH GENERAL FUND	(673,070)	(673,070)	0
10,475,858	57.2%	NET EXPENDITURE	18,328,910	17,696,910	(632,000)

3 ANALYSIS OF VARIANCES

3.1 Employee Costs

Current projections indicate that expenditure on employee costs will out-turn £100,000 less than budget for the year as a result of vacant posts and staff turnover within the Planning & Building Control, Roads and Transportation and Technical Services Division's.

3.2 Premises Costs

Premises costs are anticipated to out-turn £20,000 higher than the budgeted position as a direct result of the price increases in energy costs, allied to a small increase in non-domestic rates and water charges for rental properties. It is anticipated that opportunities to improve energy efficiency, and therefore reduce usage can be identified during the year to reduce this burden.

3.3 Supplies & Services

The projected out-turn for the year is an overspend of £37,748, which primarily relates to the acquisition and demolition of derelict properties at Amlaird Road, Kilmarnock which will be fully funded from a Better Neighbourhood Service Fund (BNSF) allocation (see income below). This overspend position is compounded by further overspends in the Economic Development (£22,000), Planning and Building Control (£4,000), Roads and Transportation (£25,000), and Technical Services (£9,289) Division's, offset by unallocated resources of £135,100 on the Corporate Office budget.

3.4 Income

The projected favourable variance of £541,959 relates to additional income in respect of Building Warrant and Planning Fees (£60,000), additional BNSF funding in respect of the acquisition and demolition of derelict properties in Amlaird Road, Kilmarnock, and higher than anticipated recharge recoveries for work undertaken by the Technical Services Division (£350,000). However, it should be noted that these underspends are offset by an anticipated under-recovery on rental income as a result of the disposal of a number of council rental properties.

4 RECOMMENDATIONS

4.1 It is recommended that Members note the contents of this report.

Alex McPhee
Executive Head of Finance

4 December 2005

James Lavery
**Executive Director of Development
and Property Services**

LIST OF BACKGROUND PAPERS NIL

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